



# PRESS RELEASE

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## For Immediate Release

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### **MAN SENTENCED FOR HEALTH CARE FRAUD**

TAMPA - Federal authorities announced that yesterday, March 18, 2003, Barry Douglas Haught of Tampa, Florida was sentenced in federal court in Tampa for his role in two schemes to defraud the Medicare and Medicaid programs. He was sentenced to a prison term of eighty-four months, to be followed by three years of supervised release, and ordered to pay restitution of \$14,445,429 to the Centers for Medicare and Medicaid Services. The court also entered a \$14,845,208.78 order of forfeiture against the defendant.

In July 2001, a federal grand jury sitting in Tampa returned an Indictment in Case No. 8:01-cr-261-T-26MSS charging Haught, and other co-defendants, with conspiring to defraud the Medicare program, obstruct justice, and launder the proceeds of the crimes, both domestically and abroad. According to allegations in the July 2001 Indictment, despite a court-ordered temporary restraining order ("TRO") entered by U.S. District Judge Elizabeth A. Kovachevich, and related Medicare suspensions, Haught and other co-conspirators fraudulently billed Medicare for durable medical equipment ("DME") from

approximately October 1998 through May 2000, employing various methods and engaging in numerous financial transactions in direct defiance of the TRO . The fraudulent proceeds of Haught's activity were then laundered through bank accounts of co-conspirators and into offshore banks.

Haught was again charged in January 2002 in Case No. 8:02-cr-19-T-27EAJ in all counts of a 55-count Indictment with conspiracy, false claims, and money laundering arising out of a massive Medicare and Medicaid fraud scheme that ran from approximately January 1995 through September 10, 1998. Seven other individuals and six corporations were charged along with Haught. The January 2002 Indictment alleged that Haught and others conspired and schemed to submit false, fictitious and fraudulent claims to the Medicare and Medicaid programs in connection with the sale of DME such as motorized wheelchairs, alternating pressure mattresses, and related items. The Indictment further alleged that the scam netted the conspirators in excess of \$25 million in forfeitable proceeds. Also in January 2002, charges were filed in four separate Informations against Dennis E. Rodriguez of Odessa, John C. Merlino of Tampa, John S. Bidelspach, D.P.M., of Palm Harbor, and Nursery Road Villa, Inc., for conduct related to that charged in the January 2002 Indictment.

On May 2, 2002, Haught pleaded guilty to Counts One and Two of a Superseding Information filed in Case No. 8:02-cr-19-T-27EAJ, which essentially consolidated the two cases as to Haught. Count One of the Superseding Information charged Haught, from in or about June 1995, and continuing until on or about September 10, 1998, with conspiracy to commit Medicare and Medicaid fraud and to launder the proceeds therefrom, in violation of 18 U.S.C. § 371. Count Two charged Haught, from in or about October 1998, and

continuing through in or about May 2000, with conspiracy to commit Medicare fraud, to obstruct justice, and to launder the proceeds therefrom, in violation of 18 U.S.C. § 371.

Also on May 2, 2002, Haught pleaded guilty on behalf of DBB, Inc., G.S. Care Corp., Gold Star Healthcare, Inc., Med-Care Distributors, Inc., T-Tech Medical Services, Inc., and Trans-Capital Investment Group, Inc., all of which were charged in the January 2002 Indictment, to one count each of conspiracy to commit Medicare and Medicaid fraud, in violation of 18 U.S.C. § 371, and one count each of submitting a false claim in relation to a health care benefit program, in violation of 18 U.S.C. §§ 287 and 2. In addition, Haught pleaded guilty on behalf of Fulcrum Services, Inc., to Counts One and Two of an Information, filed on May 1, 2002, charging Fulcrum Services, Inc., with money laundering, in violation of Title 18 U.S.C. § 1956 (a)(1)(B)(i) and 2. All of the corporations were sentenced on August 7, 2002.

To date, other than Barry Douglas Haught and the above seven corporations, the investigation has also netted guilty pleas from Ernest L. Sleeth of Dover, Phillip Lipsey of Orlando, James Taylor of Georgia, Dennis E. Rodriguez of Odessa, John C. Merlino of Tampa, John S. Bidelsbach, D.P.M., of Palm Harbor, Fred D. Ford, Jr., of Tampa, Renee LaChance Hunter Livio of Spring Hill, Cherry E. Moody of Tampa, Thomas W. Nespeca of Tampa, Christopher C. Stursberg of Wesley Chapel, along with Florida corporations Duramed, Inc., Medmaster Services, Inc., Gold Star Medical Services, Inc., and Birotech Corporation. Teresa Martinez of Safety Harbor, Florida, a defendant indicted in the January 2002 Indictment, was found guilty at trial on January 30, 2003, of one count of conspiracy to commit Medicare and Medicaid fraud, in violation of 18 U.S.C. § 371, and four counts of submitting false claims to the Medicare and Medicaid programs, in violation of 18 U.S.C. § 287. Ms. Martinez' sentencing is scheduled for April 14, 2003.

Yesterday's sentencing resolves both criminal cases as to Haught. All of the defendants charged in the investigation have now either pleaded guilty or been convicted at trial. Motions filed by the government reveal that a number of defendants are cooperating in other government health care fraud investigations and have yet to be sentenced.

The investigation leading to the pleas and conviction, dubbed "Operation Hardgear," was conducted jointly by the Federal Bureau of Investigation, the Office of the Inspector General of the United States Department of Health and Human Services, the Medicaid Fraud Control Unit of the Florida Attorney General's Office, and the Internal Revenue Service. The investigation is continuing. The case is being prosecuted by Assistant United States Attorneys Terry A. Zitek and Jay G. Trezevant.